

## Message Text

LIMITED OFFICIAL USE

PAGE 01 STATE 137835

41

ORIGIN OPIC-12

INFO OCT-01 EB-11 EA-11 ISO-00 AID-20 CIEP-02 SS-20 NSC-07

OMB-01 SP-03 STR-08 TRSE-00 L-03 INT-08 COME-00 H-03

/110 R

66603

DRAFTED BY: OPIC/ID:WILLIS W. JOURDIN JR.

APPROVED BY: EB/IFD/OIA:KENNEDY

EB/IFD/OIA:T. BRODERICK

EA/K: E. KELLY

SPECIAL CHARGE: OPIC

----- 052662

R 262202Z JUN 74

FM SECSTATE WASHDC

TO AMEMBASSY SEOUL

LIMITED OFFICIAL USE STATE 137835

E.O. 11652: N/A

TAGS: EFIN:KS

SUBJECT: KYUNG IN POWER PROJECT--UNION OIL--POSSIBLE EXPROPRIATORY ACTION

UNION OIL, WHICH HAS \$93.7 MILLION OF CURRENT OPIC EXPROPRIATION COVERAGE ON ITS INVESTMENT IN THE KYUNG IN POWER PROJECT, HAS JUST GIVEN OPIC NOTICE "OF A SITUATION WHICH COULD BECOME AN EXPROPRIATORY ACTION" UNDER THE OPIC CONTRACTS THOUGH UNION OIL STATES THAT IT HAS NO REASON TO BELIEVE THAT THE ROK INTENDS EXPROPRIATION. UNION NOTICE STATES THAT MINISTRY OF COMMERCE AND INDUSTRY ("MCI") HAS ESTABLISHED MAXIMUM SELLING PRICES FOR FUEL OIL WHICH ARE LOWER THAN THE PRICE PROVIDED FOR IN 1969 CONTRACT BETWEEN UNION OIL'S AFFILIATE, KYUNG IN ENERGY COMPANY ("KI"), AND KOREA ELECTRIC COMPANY. UNION PROPOSES THAT KI APPROACH MCI FOR PERMISSION TO SELL AND BE PAID AT PRICE PROVIDED FOR IN 1969 FUEL CONTRACT APPROVED BY MCI IN 1969. OPIC INFORMING UNION IT HAS NO

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 STATE 137835

OBJECTION TO SUCH PROPOSAL. OPIC MADE NO COMMENT ON UNION

PROPOSAL TO RENEGOTIATE 1969 POWER CONTRACT SO THAT KI  
WOULD GET PRICE PERMITTED BY MCI PRICE ORDER WHICH WOULD  
BE HIGHER THAN PRICE PROVIDED FOR IN POWER CONTRACT.

POUCHING COPY OF UNION NOTICE AND OPIC REPLY FOR EMBASSY  
COMMENTS. DECONTROL 12/25/74.  
SISCO

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NATIONALIZATION, PETROLEUM, INVESTMENTS, PRICES, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 JUN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** BoyleJA  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE137835  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OPIC/ID:WILLIS W. JOURDIN JR.  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740170-0159  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740611/aaaaaity.tel  
**Line Count:** 68  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ORIGIN OPIC  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** BoyleJA  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 06 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <06-Aug-2002 by kelleyw0>; APPROVED <24 MAR 2003 by BoyleJA>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KYUNG IN POWER PROJECT--UNION OIL--POSSIBLE EXPRO- PRIATORY ACTION  
**TAGS:** EFIN, KS, OPIC, UNION OIL  
**To:** SEOUL  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005